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RUEKJCS/SECDEF WASHINGTON DC
RUEKJCS/JOINT STAFF WASHINGTON DC
RUEKDIA/DIA WASHINGTON DC//DB-Z//

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DEPT FOR EAP/K, EAP/PD, INR/EAP/K AND INR/IL/P
TREASURY FOR OASIA/WINGLE
USDOC FOR 4430/IEP/OPB/EAP/WGOLICKE
STATE PASS USDA ELECTRONICALLY FOR FAS/ITP
STATE PASS DOL/ILAB SUDHA HALEY
STATE PASS USTR FOR IVES/WEISEL

E.O. 12958: N/A

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SUBJECT: PRESS BULLETIN - January 23, 2009

Features

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Top Headlines

Chosun Ilbo
Fears of "Negative Growth:" ROK Economy Shrank 3.4 Percent
Year-on-Year in Fourth Quarter of 2008

JoongAng Ilbo
A Senior Member of the National Alliance of Squatters Suspected of
Involvement in Sit-in at Yongsan Construction Site

Dong-a Ilbo, Segye Ilbo, Seoul Shinmun, All TVs
ROK Economy Tumbling Much Deeper and Faster than Expected:
Fourth-Quarter GDP Drops 5.6 Percent from a Quarter Earlier, the
Worst Performance Since 1998 Asian Financial Crisis

Hankook Ilbo
ROK Economy in a "Nosedive"

Hankyoreh Shinmun
Prosecutors Arrest Five Protesters for Fire that Killed Six People
in Police-Tenant Standoff, but Hint at Exempting Police from Charges
as the Tragedy Occurred while on Duty

International News

- [1](#)1. The Senate confirmed Hillary Clinton overwhelmingly as Secretary
of State on Jan. 21 (Washington time) in a 94 to 2 vote. (JoongAng)
- [1](#)2. The White House declared on its Web site yesterday that the Obama
Administration will eliminate North Korea's nuclear programs through
"tough and direct diplomacy," a development seen as presaging bold
nuclear negotiations with North Korea. (Dong-a, Hankook, Segye,
Seoul, all TVs)
- [1](#)3. According to a report written by Kurt Campbell, the Obama
Administration's Designee for Assistant Secretary of State for East
Asian and Pacific Affairs, Japan should be considered a major

cornerstone in Washington's new diplomatic efforts in the Asia-Pacific region, and it is time for the U.S. to reshape its policy toward China in a way that recognizes it as a superpower rather than a distant foe. The report went on to say that uncomfortable relations between former Presidents George W. Bush and Roh Moo-hyun raised questions about the ROK-U.S. alliance but that it is time to restore the bilateral alliance. (JoongAng)

Media Analysis

The Launch of Obama Administration

Most of the ROK media reported that President Barack Obama's first public act in office started with "diplomacy toward the Middle East." White House Spokesman Robert Gibbs was quoted as saying: "President Obama called the leaders of Israel, the Palestinian Authority, Egypt and Jordan as soon as he entered the Oval Office on Wednesday, and the talks with the leaders underlined his commitment to active engagement in pursuit of Arab-Israeli peace from the beginning of his term."

Most of the ROK media also reported that the White House declared on its Web Site on Jan. 21 (Washington time) that the Obama Administration will eliminate North Korea's nuclear programs through "tough and direct diplomacy." Moderate Hankook Ilbo viewed this as presaging bold nuclear negotiations with North Korea.

Right-of-center JoongAng Ilbo gave attention to a report written by Kurt Campbell, the Obama Administration's Designee for Assistant Secretary of State for East Asian and Pacific Affairs, which called for Japan to be considered a major cornerstone in Washington's new diplomatic efforts in the Asia-Pacific region and for China to be recognized as a superpower rather than a distant foe. JoongAng saw this message as breaking from the Bush Administration's diplomacy that stressed alliances with Japan and the ROK while sidestepping China. The report was further quoted as saying: "Uncomfortable relations between former Presidents George W. Bush and Roh Moo-hyun raised questions about the ROK-U.S. alliance, but it is time to restore the bilateral alliance." Kim Hyon-wook, professor at the Institute of Foreign Affairs and National Security, was quoted as saying: "Given that the Obama Administration has stressed cooperation, departing from (its predecessor's) unilateral diplomacy, the new administration is likely to continue to place great value on the U.S.-Japan alliance, while underscoring cooperation with China. Under this situation, the ROK should promptly formulate the direction of a new ROK-U.S. relationship and encourage the U.S. to pursue it."

Features

Report Urged U.S. to Center on Japan and China (JoongAng Ilbo, January 23, 2009, Page 4)

By Chae Byeong-geon

Japan should be considered a major cornerstone in Washington's new diplomatic efforts in the Asia Pacific region, and it is time for the United States to reshape its policy toward China in a way that recognizes it as a superpower rather than a distant foe, according to a report written by Kurt Campbell, the Obama Administration's designated Assistant Secretary of State for East Asian and Pacific Affairs.

The report, published last June, has not yet been covered in the Korean press. It holds clues on Washington's future policies on the Asia-Pacific region, including the Korean Peninsula.

Campbell, formerly Deputy Assistant Secretary of Defense under Bill Clinton, has been named to replace Christopher Hill to lead Washington's diplomatic efforts in the region.

The paper also gave signs that South Korea may lose some of its diplomatic leverage in the region as the U.S. is poised to form a stronger political triangle with Japan and China.

Published on the Web site of the Center for a New American Security, the report said the U.S. may put more emphasis on cementing ties with Japan, calling it the "foundation stone" for U.S. diplomacy in

the region. It gave the highest priority to Japan in the Asia-Pacific region, followed by Korea, Australia, India, Taiwan and Singapore.

"Japan is a fundamental component of American engagement with the region, both militarily and economically," said the 100-page report.

"Tokyo and Washington should consider drafting a new joint security statement that moves beyond the 1996 accord toward a more forward-looking horizon for security cooperation."

The overall tone of the paper underscored the growing need for Washington to recognize China's increasingly apparent status as an international superpower and stressed the importance of forming even closer ties with Beijing.

The message breaks from the Bush Administration's diplomacy that stressed alliances with Japan and Korea while sidestepping China.

"First, China's political and cultural predominance in the Asia-Pacific region should be accepted as a fact of life, long true, with which American policy needs to contend," said the report. "A good China policy will require a careful balancing of the sweet and sour in constructing a coherent overall strategy."

The report also urged the new president to "seriously consider visiting China by the end of his first year in office," and to invite Chinese President Hu Jintao to visit the U.S. to cement stronger relations.

The report said that uncomfortable relations between former Presidents George W. Bush and Roh Moo-hyun raised questions about the ROK-U.S. alliance but that it is time to restore the bilateral alliance.

Kim Hyon-wook, professor of the Institute of Foreign Affairs & National Security, said, "The Korean government, for its part, should encourage the U.S. to pursue a newly built ROK-U.S. relationship suggested by the Korean government."

* We have compared the English version on the website with the Korean version and made some changes to make them identical.

U.S. Ambassador Urges the ROK to Give Washington Some Time Regarding FTA

(Hankyoreh Shinmun, January 23, 2009, Page 2)

By Reporter Lee Je-hoon

In reference to the ratification of the ROK-U.S. Free Trade Agreement (FTA) on January 22, U.S. Ambassador to the ROK Kathleen Stephens said, "I urge our Korean friends to give our new team in Washington some time to get in place, and suggest that in the meantime, we resist the temptation to politicize this situation."

Ambassador Stephens attended the 103rd CEO Forum of the National Academy of Engineering of Korea, which was held at the Shilla Hotel in Seoul this afternoon, and said, "Ratifying a large trade agreement like this is a complex process, in both our countries. That process is further complicated by the current global economic slowdown, as well as the historic turmoil in the U.S. auto industry right now."

Stephens